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## Non-consolidated Financial Results for the Nine Months Ended July 31, 2025 (Under Japanese GAAP)



September 11, 2025

Company name: Heartseed Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 219A  
 URL: <https://heartseed.jp/>  
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 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: No  
 Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Non-consolidated financial results for the nine months ended July 31, 2025 (from November 1, 2024 to July 31, 2025)

#### (1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	1,919	-	351	-	304	-	243	-
July 31, 2024	153	-	(1,213)	-	(1,086)	-	(1,088)	-

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
July 31, 2025	10.84	10.58
July 31, 2024	(74.93)	-

Note: Diluted earnings per share for the nine months ended July 31, 2024 is not stated in the above table, since basic earnings per share was negative.

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
July 31, 2025	7,707	7,198	93.3
October 31, 2024	7,067	6,623	93.5

Reference: Shareholders' Equity

As of July 31, 2025: ¥7,193 million

As of October 31, 2024: ¥6,610 million

### 2. Cash dividends

	Annual dividends per share					
	First quarter-end	Second quarter-end	Third quarter-end	Fourth quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2024	-	-	-	-	0.00	0.00
Fiscal year ending December 31, 2025	-	-	-			
Fiscal year ending December 31, 2025 (Forecast)				-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of non-consolidated financial results for the fiscal year ending December 31, 2025 (from November 1, 2024 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	3,027	-	125	-	130	-	107	-	4.70

Note: Revisions to the earnings forecasts most recently announced: None  
The percentage change compared to the previous period has been omitted, since the current fiscal year is an irregular 14-month period due to the changes in the fiscal year-end.

\* **Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2025	22,779,800 shares
As of October 31, 2024	22,225,400 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2025	- shares
As of October 31, 2024	- shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended July 31, 2025	22,458,766 shares
Nine months ended July 31, 2024	14,527,937 shares

\* These quarterly financial result reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(Cautionary notice on forward-looking information)

The financial results forecasts and other forward-looking information contained in this document are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. It is not a guarantee that the forecasts will be achieved, and actual results may differ significantly from such forecasts depending on various factors. For more information on the financial results forecast, please refer to page 3 of the Attachment, "1. Qualitative Information on Quarterly Financial Results for the Period under Review: (3) Explanation of Financial Results Forecast and Other Forward-looking Information."

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# 1. Qualitative Information on Quarterly Financial Results for the Period under Review

## (1) Explanation of Business Results

During the first nine months of the current fiscal year (November 1, 2024 to July 31, 2025), the Japanese economy showed signs of gradual improvement due to strong inbound demand and enhancement in the employment and income environment. However, there are some uncertainties with the domestic economy due to factors such as fluctuations in financial and capital markets, as well as the U.S. policy trend and unstable international conditions.

In the Japanese regenerative medicine industry, the revised Pharmaceutical Affairs Law enacted in 2014 introduced a “conditional and time-limited approval system” for regenerative medical products. Moreover, the “Sakigake designation system” was also enacted in 2019 to shorten the approval review period and provide priority support for prior consultation with the authorities. Thus, in Japan there are systems in place that allow for the rapid commercialization of superior regenerative medical products.

In terms of the overview of our business during the nine months ended July 31, 2025, the Company continued lead pipeline development, the treatment program (HS-001) for heart failure patients with ischemic heart disease by administration of allogeneic iPS cell-derived cardiomyocytes spheroids in conjunction with open heart surgery. The Company, in the ongoing Phase I/II clinical trial (LAPiS study) in conjunction with coronary artery bypass graft surgery for a total of 10 patients (5 patients in the low-dose cohort and 5 patients in the high dose cohort), completed the final patient enrollment in the first quarter and continued follow-up observation during this third quarter of the fiscal year.

Meanwhile, for the development of catheter-based administration therapeutic program (HS-005) that is less invasive for patients, the Company is aiming to submit a clinical trial notification in Japan by the end of 2025, and the joint development of catheters with the new partner is progressing well.

As a result, the Company reported net sales of 1,919,350 thousand yen, operating profit of 351,011 thousand yen (recorded operating loss of 1,213,816 thousand yen at the same nine months period in the previous fiscal year), ordinary profit of 304,730 thousand yen (recorded ordinary loss of 1,086,886 thousand yen at the same nine months period in the previous fiscal year), and profit of 243,450 thousand yen (recorded loss of 1,088,599 thousand yen at the same nine months period in the previous fiscal year) in the nine months ended July 31, 2025.

As the Company has only one segment, the pharmaceutical business, the description of business results by segment is omitted.

## (2) Explanation of Financial Position

### 1) Assets, Liabilities and Equity

#### (Assets)

Total assets at the end of the nine months ended July 31, 2025 increased by 639,978 thousand yen from the end of the previous fiscal year to 7,707,573 thousand yen. Current assets increased by 769,262 thousand yen to 7,173,076 thousand yen. This is mainly due to a 1,621,435 thousand yen increase in cash and cash equivalents by decrease in accounts receivable from its cash collection and execution of the stock option rights. Non-current assets decreased by 129,283 thousand yen to 534,496 thousand yen. This is mainly due to a 107,239 thousand yen decrease in investments and other assets by deposit collection.

#### (Liabilities)

Total liabilities at the end of the nine months ended July 31, 2025 increased by 64,343 thousand yen from the end of the previous fiscal year to 508,687 thousand yen. Current liabilities increased by 66,091 thousand yen to 348,166 thousand yen. This is mainly due to a 32,115 thousand yen increase in income taxes payable as well as a 40,337 increase in accounts payable-other. Non-current liabilities decreased by 1,748 thousand yen to 160,521 thousand yen. This is mainly due to a 2,404 thousand yen decrease in reversal of deferred tax liabilities as well as a 1,411 increase in assets retirement obligation.

#### (Net Assets)

Total net assets at the end of the nine months ended July 31, 2025 increased by 575,635 thousand yen from the end of the previous fiscal year to 7,198,885 thousand yen. This is mainly due to a 243,450 thousand yen increase in retained earnings as well as a 169,456 thousand yen increase in share capital and capital surplus by execution of the stock option rights, respectively.

## (3) Explanation of Financial Results Forecast and Other Forward-looking Information

There is no change to the earnings forecast for the fiscal year ending December 31, 2025, which was announced on August 14, 2025 in the “Notice Regarding the Revisions of Full-Year Financial Results Forecast for the Fiscal Year Ending December 31, 2025”.

## 2. Quarterly Financial Statements and Primary Notes

### (1) Quarterly Balance Sheet

(Thousands of yen)

	As of October 31, 2024	As of July 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	5,297,166	6,918,601
Accounts receivable - trade	768,250	-
Supplies	86,336	71,911
Advance payments to suppliers	42,571	30,205
Prepaid expenses	40,656	47,856
Accounts receivable - other	30,060	4,115
Consumption taxes refund receivable	138,774	100,385
Total current assets	6,403,814	7,173,076
Non-current assets		
Property, plant and equipment	455,707	433,663
Investments and other assets	208,072	100,833
Total non-current assets	663,779	534,496
Total assets	7,067,594	7,707,573
<b>Liabilities</b>		
Current liabilities		
Lease liabilities	4,638	2,039
Accounts payable - other	80,828	121,166
Accrued expenses	37,439	27,983
Income taxes payable	54,258	86,373
Advances received	77,989	97,669
Deposits received	18,916	12,933
Asset retirement obligations	8,003	-
Total current liabilities	282,074	348,166
Non-current liabilities		
Lease liabilities	755	-
Asset retirement obligations	158,308	159,719
Deferred tax liabilities	3,206	801
Total non-current liabilities	162,269	160,521
Total liabilities	444,344	508,687
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,133,314	1,302,770
Capital surplus	8,247,266	8,416,722
Retained earnings	(2,769,747)	(2,526,296)
Total shareholders' equity	6,610,833	7,193,196
Share acquisition rights	12,416	5,689
Total net assets	6,623,249	7,198,885
Total liabilities and net assets	7,067,594	7,707,573

(2) Quarterly Statement of Income  
(For the nine months ended July 31)

(Thousands of yen)

	Nine months ended July 31, 2024	Nine months ended July 31, 2025
Net sales	153,210	1,919,350
Cost of sales	-	-
Gross profit	153,210	1,919,350
Selling, general and administrative expenses	1,367,026	1,568,338
Operating profit (loss)	(1,213,816)	351,011
Non-operating income		
Interest income	23	1,712
Subsidy income	152,000	-
Commission income	18,343	-
Miscellaneous income	980	467
Total non-operating income	171,346	2,180
Non-operating expenses		
Interest expenses	332	140
Foreign exchange losses	9,720	48,320
Listing expenses	34,363	-
Total non-operating expenses	44,416	48,461
Ordinary profit (loss)	(1,086,886)	304,730
Profit (loss) before income taxes	(1,086,886)	304,730
Income taxes - current	3,753	63,684
Income taxes - deferred	(2,041)	(2,404)
Total income taxes	1,712	61,280
Profit (loss)	(1,088,599)	243,450

### (3) Notes to the Quarterly Financial Statements

#### (Notes on segment information)

As the Company has only one segment, the pharmaceutical business, the description by segment is omitted.

#### (Notes in the event of significant changes in shareholders' equity)

The Company's share capital and capital surplus increased by 169,456 thousand yen each due to the execution of stock option rights. As a result, the Company's share capital and capital surplus amounted to 1,302,770 thousand yen and 8,416,722 thousand yen, respectively, at the end of the third quarter of the current fiscal year.

#### (Notes on going concern assumptions)

Not applicable

#### (Notes on the statement of quarterly cash flows)

The quarterly cashflow statements for the nine months ended July 31, 2025 were not prepared. Depreciation and amortization (including amortization for intangible assets) for the nine months ended July 31, 2025 are as below:

	(Thousands of yen)	
	FY2024 (From November 1, 2023 to July 31, 2024)	FY2025 (From November 1, 2024 to July 31, 2025)
Depreciation and amortization	31,054	31,174

#### (Notes on the significant subsequent events)

Milestone achievement.

On August 6, 2025, the Company achieved a development milestone designated under an exclusive worldwide collaboration and license agreement with Novo Nordisk A/S, and as a result, the Company will receive 1,107,150 thousand yen.